

2010 TAX INFORMATION FOR INDIVIDUALS

STANDARD DEDUCTION (The amount to deduct unless itemized deductions are greater)

<u>Filing Status</u>	<u>Under 65</u>	<u>65 or Over</u>	
Single	\$5,700	\$7,100	
Head of household (Blind - add \$1,400 to amounts above)	\$8,400	\$9,800	
	<u>Both Spouses Under 65</u>	<u>One Spouse 65 or Over</u>	<u>Both Spouses 65 or Over</u>
Married filing jointly/ Qualifying widow (er) (Blind - add \$1,100 to amounts above)	\$11,400	\$12,500	\$13,600

NOTE: If you can be claimed as a dependent on another person's return, your standard deduction is the greater of (a) \$950 or (b) your earned income plus \$300, up to the standard deduction amount. To this amount you can add the appropriate additional amount for the elderly or blind.

PERSONAL EXEMPTION

The personal exemption amount is \$3,650 for each individual, the individual's spouse, and each dependent.

NOTE: You may claim an exemption in 2010 for your qualifying child who is under age 19 or a full-time student and under age 24 at the end of 2010. If you cannot claim the exemption under this rule, the child may claim an exemption on his or her own return.

ANNUAL GIFT AND ESTATE EXCLUSION AMOUNTS

The maximum excludable gift is \$13,000 per donee in 2010 and 2011. In 2010 an executor of an estate may elect not to pay federal estate tax. If the executor so chooses, the value of the estate does not increase to fair value at the time of death. Alternatively, in 2010 the executor may elect to pay estate taxes with a \$5 million exemption. Be aware that there is still Washington state estate tax on the amount above \$2,000,000. For 2011, the first \$5 million is excluded from federal tax, in addition to the amount, if any, of a deceased spouse's unused exclusion amount.

STANDARD MILEAGE RATE FOR BUSINESS USE

In 2010, the standard mileage rate for all business use miles of a car is 50 cents a mile. In 2011, the standard mileage rate for all business use miles of a car is 51 cents per mile.

STANDARD MILEAGE RATE FOR CHARITABLE USE

The standard mileage rate for charitable use miles of a car in 2010 and 2011 is 14 cents a mile.

401(k) or 403(b) PLAN LIMITATION

If you are under 50, the 401(k) plan limitation on elective deferrals is \$16,500 for 2010 and 2011.
If you are 50 or over, the 401(k) plan limitation on elective deferrals is \$22,000 for 2010 and 2011.

SIMPLE PLAN LIMITATION

If you are under 50, the SIMPLE plan limitation on elective deferrals is \$11,500 for 2010 and 2011.
If you are 50 or over, the SIMPLE plan limitation on elective deferrals is \$14,000 for 2010 and 2011.

SOCIAL SECURITY TAX WAGE BASE FOR 2011

The employee's portion of the social security tax rate for FICA will decrease by 2% for 2011 from 6.2% in 2010 (4.2% in 2011). The employer portion will remain the same at 6.2%, and the wage base for the FICA portion will remain at \$106,800 in 2010 and 2011. An unlimited amount of wages paid remains subject to the Medicare tax (1.45% in both 2010 and 2011). In other words, employers will withhold a total of 5.65% on gross wages up to \$106,800 and 1.45% on all wages exceeding \$106,800. In addition, employers will pay 7.65% on gross wages up to \$106,800, and 1.45% on all wages exceeding that level.

Self-employed individuals will pay 13.3% on the first \$106,800 of net self-employment income and 2.9% on net self-employment income exceeding \$106,800. This reflects the 2% reduction in the employee portion of the FICA tax.



INDIVIDUAL TAX RATES

See the chart on the reverse side for calculation of tax.